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GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE
RESOLUTION
TARIFFS

New Delhi, the 10th May 1947

No. 218-T.(77)/46.- In their Resolution in the Department of Commerce, No. 218-T.(55)/45, dated the 8th November 1945, the Government of India, referred to the Tariff Board a claim to protection received from the Grinding wheels industry. The terms of reference to the Tariff Board are contained in paragraph 5 of the Resolution.

2. The Board having considered this claim, has submitted its report to Government. The Board considers that the grinding wheels industry qualifies for the grant of protection and has made the following recommendations:-

- (1) "A protective import duty of 80 per cent. should be levied on all articles covered by the category 'grinding wheels and segments' for a period of three years with immediate effect, and a separate heading should be created for the same in the customs tariff schedule.
- (2) If the c.i.f. prices of grinding wheels fall below the estimated current c.i.f. prices by 10 per cent.

or more, action should be taken under section 4 of the Indian Tariff Act of 1934, and the duty should be so adjusted as to maintain the measure of protection recommended by us.

- (3) The existing concession in favour of Grindwells to import synthetic abrasive grains free of customs duty should be continued for the entire period of protection and be extended to other manufacturers of grinding wheels in the country.
- (4) All Railway and Government orders for grinding wheels should be placed with the Indian manufacturers up to the limit of their productive capacity."

3. The Government of India have carefully considered the Board's recommendations and feel that in view of the figures quoted by the Board in paragraph 37 of its report the industry is not likely to survive even with as high an import duty as 80 per cent. Large stocks of grinding wheels are also reported to be accumulating in certain

foreign countries, the surplus of which might easily be exported to India at prices uneconomic from the point of view of indigenous manufacturers. Government are of the view that the industry should be given direct protection and have therefore arrived at the following conclusions on the Board's recommendations:—

- (i) All imports of grinding wheels would be prohibited throughout the financial year 1947-48, except for qualities which cannot be produced in India.
- (ii) A duty of 50 per cent, would be imposed on the special qualities of grinding wheels which cannot be produced in India.
- (iii) A duty of 50 per cent, would be imposed in regard to varieties manufactured in India when it is decided to lift the prohibition on their imports.
- (iv) Government accept recommendation (3) contained in paragraph 2 above and necessary steps will be taken to give effect to it.
- (v) The Government of India also accept recommendation (4) and the Railway Board, M.G.O. and other Government agencies are being instructed to obtain their requirements of grinding wheels from indigenous production subject to satisfaction as to quality.

4. The Government of India are of the view that industries coming up for state assistance should be in the hands of public limited companies and have therefore decided that the protection granted to the grinding wheels industry in this Resolution shall be subject to the condition that the two concerns now engaged in the manufacture of grinding wheels, *viz.*, Messrs. Grindwell Limited, (Bombay) and Messrs. Katta Grinding Wheel Works, Amritsar,

should take early steps to convert themselves into public limited companies.

5. The grant of protection is also subject to the condition that the agreement reported to have been arrived at between the foreign and Indian shareholders in Messrs. Grindwell Limited, whereby the former had agreed to transfer their shares to the latter and the latter had agreed to take them up, is carried out at an early date.

ORDER

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, the several Departments of the Government of India, the Political Department, the Private and Military Secretaries to His Excellency the Viceroy, the Central Board of Revenue, the Auditor General, the Director General of Employment and Resettlement, the Director General, Industries, and Supplies, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director of Commercial Intelligence Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, the Trade Agent, Kabul, His Majesty's Senior Trade Commissioner in India, the American Consulate General, Calcutta, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, the Secretary, Tariff Board, Bombay, the Chief Controller of Imports, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*

Y. N. SUTTHANKAR Secy.